

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Review, 2022

Docket No. ACR2022

CHAIRMAN'S INFORMATION REQUEST NO. 15

(Issued February 28, 2023)

To clarify the Postal Service's FY 2022 Annual Performance Report (*FY 2022 Report*) and FY 2023 Annual Performance Plan (*FY 2023 Plan*),¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than March 7, 2023. The Postal Service is reminded that if it believes that any responsive information warrants non-public treatment (e.g., due to commercial sensitivity or deliberative process privilege), the Postal Service may seek such treatment in accordance with 39 C.F.R. part 3011.

Financial Health

1. The *FY 2022 Annual Report* states that "[a]dditional information on the Postal Service's sustainability efforts is available in the 2022 Annual Sustainability Report[.]" *FY 2022 Annual Report* at 22. The 2022 Annual Sustainability Report states that it "covers fiscal year 2021[.]"²
 - a. If a report covering the Postal Service's FY 2022 sustainability efforts is available, please provide a copy of such report.

¹ The *FY 2022 Report* and *FY 2023 Plan* are included in the Postal Service's FY 2022 *Annual Report to Congress*, which the Postal Service filed with the FY 2022 *Annual Compliance Report*. See Library Reference USPS-FY22-17, December 29, 2022, folder "USPS-FY22-17," folder "FY22.17.Annual.Report," file "FY 2022 Annual Report to Congress.pdf" (*FY 2022 Annual Report*).

² United States Postal Service, 2022 Annual Sustainability Report, at 1, available at <https://about.usps.com/what/corporate-social-responsibility/sustainability/report/2022/usps-annual-sustainability-report.pdf> (2022 Annual Sustainability Report).

- b. If a report covering the Postal Service's FY 2022 sustainability efforts is not available, please indicate when such a report will be prepared and made available.
2. Please identify all library references (and any other filed materials) in the instant proceeding that report or incorporate revenue received from energy-related activities, including revenue received from sale of energy, capacity, renewable energy credits, and carbon offsets and from participation in any demand response or energy efficiency programs (collectively, Energy-Related Activities), and explain how such revenue is reflected in the relevant materials.
3. Please describe in detail the Postal Service's strategies and goals for generating revenues and realizing cost savings from Energy-Related Activities to support achievement of the Financial Health corporate outcome for FY 2023.

High Quality Service

4. In Response to CHIR No. 13, question 12,³ the Postal Service estimates unit revenue and unit attributable cost for Election Mail⁴ by multiplying product-level unit revenue and unit attributable costs by Election Mail-specific volumes. In Response to CHIR No. 13, question 13, the Postal Service presents data showing consistently higher service performance levels for Election Mail relative to non-Election Mail within each mail class and shape. In Response to CHIR No. 13, question 14, which adverted to publicly available materials about the "extraordinary measures" that the Postal Service would apply to Election Mail in 2022, the Postal Service provides the 2022 Election Mail and Political Mail Guidebook, which details numerous special handling procedures for Election Mail. In Response to CHIR No. 13, question 15, the Postal Service avers that it was unable to provide or accurately estimate the total costs or workhours for

³ Responses of the United States Postal Service to Questions 11-15 of Chairman's Information Request No. 13, February 24, 2023 (Response to CHIR No. 13).

⁴ "Election Mail" refers to items such as ballots, voter registration cards, and absentee applications that an authorized election official creates for voters.

“extraordinary measures” undertaken for Election Mail and represents that such total costs or workhours are not likely to be significant in light of the affected volume and timeframe.

- a. Please confirm that the Postal Service has not developed a methodology for discretely identifying unit revenue attributable to Election Mail volume within any relevant product.
 - i. If a. is confirmed, please describe any existing or planned efforts to develop such a methodology or methodologies.
 - ii. If a. is not confirmed, please explain the methodology or methodologies.
- b. Please confirm that the Postal Service has not developed a methodology for discretely identifying the costs attributable to Election Mail volume within any relevant product.
 - i. If b. is confirmed, please describe any existing or planned efforts to develop such a methodology or methodologies.
 - ii. If b. is not confirmed, please explain the methodology or methodologies.
- c. Please discuss the extent to which the elevated service performance for each mail class and shape of Election Mail is attributable to extraordinary measures as opposed to other factors.
- d. Please confirm that, all other things being equal, the extraordinary measures accorded to Election Mail would tend to increase the per-piece workhours and costs for such mail relative to non-Election Mail with comparable mail characteristics (*e.g.*, same product, shape, and price category). If not confirmed, please explain.
- e. If d. is confirmed, please confirm that the Postal Service has not undertaken to measure or estimate the increase in unit workhours and/or

costs attributable to extraordinary measures for Election Mail. If not confirmed, please explain and provide the results of any such effort.

- f. For each relevant product, please confirm that, in addition to extraordinary measures, the average piece of Election Mail has revenue- or cost-determining characteristics (e.g., shape, weight, levels of automation, mail preparation, acceptance methods) that differ from the average piece of non-Election Mail. If confirmed, please describe such characteristics and estimate the direction and magnitude of their impact on unit revenue and/or unit attributable cost for Election Mail relative to non-Election Mail.
5. Please refer to OIG Report No. 20-225-R20.⁵ Among other things, the OIG recommended that the Postal Service “[l]everage established partnerships with state and local election officials to work toward creating a separate, simplified mail product exclusively for Election Mail that would support uniform mail processing, including mandatory mailpiece tracking and proper mailpiece design.” The Postal Service “agreed to evaluate adding a dedicated mail product for Election Mail after the 2020 general election.” *Id.* at 19. This recommendation remained open as of September 26, 2022. See OIG Report No. 22-093-R22 at 10.⁶
- a. Please confirm that development of methodologies to identify the unit revenue and unit attributable cost of Election Mail is necessary in order to evaluate the feasibility of adding one or more dedicated mail product(s) for Election Mail. If not confirmed, please explain.

⁵ United States Postal Service, Office of the Inspector General (OIG), Report No. 20-225-R20, Processing Readiness of Election and Political Mail During the 2020 General Elections, August 31, 2020, at 4, available at <https://www.uspsoig.gov/sites/default/files/reports/2023-01/20-225-R20.pdf> (OIG Report No. 20-225-R20).

⁶ United States Postal Service, Office of the Inspector General (OIG), Report No. 22-093-R22, Election Mail Readiness for the 2022 Mid-Term Elections, September 26, 2022, available at <https://www.uspsoig.gov/sites/default/files/reports/2023-01/22-093-R22.pdf> (OIG Report No. 22-093-R22).

- b. Please confirm that the Postal Service has not made a final decision about whether to create a dedicated mail product for Election Mail.
 - i. If b. is confirmed, please describe (1) the current status of the evaluation that the Postal Service agreed to conduct in response to the above-described OIG recommendation and (2) the estimated timeline to reach a final decision.
 - ii. If b. is not confirmed, please describe the final decision. If the decision was not to create such a product, please explain the rationale for the decision and describe the findings and data that support that rationale.

By the Chairman.

Michael Kubayanda